

ORDINANCE NO. 14923

FILE OF CITY COUNCIL

BILL NO. - 45

JULY 20, 2011

AN ORDINANCE

Amending Article 147, Aggregated Pension Trust Fund, to provide for the Board Membership as required by Act 44.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ALLENTOWN:

SECTION ONE: That Article 147, Aggregated Pension Trust Fund, be amended to read as follows:

ARTICLE 147
AGGREGATED PENSION TRUST FUND

- 147.01 Purpose
- 147.02 Board of Trustees Established
- 147.03 Board of Trustees; Membership, Appointment and Term
- 147.04 Trustee Officers
- 147.05 Quorum
- 147.06 No Compensation
- 147.07 Accounting
- 147.08 Legal Title of Assets
- 147.09 Invest
- 147.10 Valuation of Assets
- 147.98 Severability

147.01 PURPOSE

The Commonwealth of Pennsylvania, pursuant to the Municipal Pension Plan Funding Standard and Recovery Act of 1984, No.205, as amended "Act 205", will make available to municipalities Supplemental State Assistance to financially distressed pension funds. The City of Allentown desires to take advantage of this financial aid, since it believes it qualifies for such assistance.

147.02 BOARD OF TRUSTEES ESTABLISHED

There shall be created an Aggregated Pension Trust Fund, which shall oversee and monitor the investments of the three City-administered Pension Funds, the Officers' and Employees' Retirement and Pension System, the Police Pension Fund Association and the Paid Firemen's Pension Fund.

147.03 BOARD OF TRUSTEES; MEMBERSHIP, APPOINTMENT AND TERM

All pension fund activities established under the provisions of this Article shall be under the

direction and control of a Board of Trustees, drawn from the boards of the aggregated pension funds consisting of the Mayor, the Director of Administration and Finance, the City Controller, one (1) Councilperson chosen by Council, one (1) resident chosen by City Council, whose memberships shall be concurrent with Council tenure, one (1) resident of the City, to be chosen by the Mayor with the approval of Council, concurrent with the Mayor's tenure of office, and one resident of the City, to be chosen by the Mayor, concurrent with the Mayor's tenure of office and two (2) representatives of the active membership of each pension plan included in the aggregated pension trust fund, who shall be elected by the active membership of the applicable pension plan for a term of four (4) years. In the event of any deadlock, the managing boards or entities shall mutually agree upon a member of the general public to cast the deciding vote. In case of a vacancy among the Trustees chosen by the pension plans the active membership of each pension plan, a successor shall be forthwith chosen by them for the unexpired term.

In the event any aggregated pension fund ceases to have an active membership, the associated representative(s) shall continue to serve until the expiration of their term. At the time of such expiration, the Board of Trustees will be reduced as determined by City Council to maintain the equal ratio required by Section 607(b) of Act 205.

147.04 TRUSTEE OFFICERS

The Mayor Board shall be the elect their President, the City Controller the Secretary, and the Director of Administration and Finance the Treasurer of the Aggregated Pension Trust Fund.

147.05 QUORUM

A majority of the Board of Trustees shall constitute a quorum and shall have the power to transact such business as may properly come before it. ~~Each Pension Board shall have two (2) votes.~~

147.06 NO COMPENSATION

The Trustees of the Board shall receive no compensation for the services thus performed.

147.07 ACCOUNTING

Each pension plan subject to the aggregation shall have an undivided participation in the assets of the combined pension trust fund. For accounting purposes, the value of the participation by each plan shall be calculated annually. The value for the initial year following aggregations shall be that portion of the total value of the pension trust fund which bears the same relationship that the value of the assets of the pension plan, as of the date of the aggregation plus the contributions received by the pension trust fund with respect to that pension plan since the date of aggregation, and reduced by the amount of retirement annuities and benefits paid from the pension trust fund for annuitants and benefit recipients of that pension plan since the date of aggregation bears to the total value of all assets transferred to the pension trust fund as of the date of aggregation plus the total contributions received by the pension trust fund since the date of aggregation and reduced by the total amount of retirement annuities and benefits paid for all annuitants and benefit recipients since the date of aggregation. The value of the participation for each year subsequent to the initial year following aggregation shall be that portion of the total value of the pension trust fund which bears the same relationship that the value of the participation of the pension plan, as of the close of the preceding year plus the contributions received by the pension trust fund with respect to that pension plan during the year and reduced by the amount of retirement annuities and benefits paid from the pension trust fund for annuitants and benefit recipients of that pension plan during the year, bears to the total value of all participation in the pension trust fund as of the close of the preceding year plus the total contributions received by the pension trust fund during the year and reduced by the total amount of retirement annuities and benefits paid for all annuitants and benefit recipients during the year.

147.08 LEGAL TITLE OF ASSETS

Legal title to assets in the aggregated pension trust fund shall be in the municipality as trustee, or its nominees as trustees, for any person having a beneficial interest in a particular pension plan which is

associated with the pension trust fund.

147.09 INVESTMENTS

The assets of the aggregated pension trust fund shall be invested in investment securities which are authorized investments pursuant to any applicable law for any of the associated pension plans.

Investment earnings shall be allocated to each associated pension plan in proportion to the most recently determined participation value.

147.10 VALUATION OF ASSETS

Valuation of assets shall be pursuant to the provisions of Section 202 (e) (1) of the Municipal Pension Plan Funding Standard and Recovery Act of 1984, No.205, as amended as follows; and any applicable rules and regulations issued by the commission.

~~Each financial exhibit shall be prepared in a manner which is consistent with the other financial exhibits contained in the most recent prior actuarial report. The accounting basis for the financial exhibits shall be disclosed. The financial exhibits shall be prepared in a fashion which is reasonably calculated to fairly and accurately disclose the financial condition and affairs of the pension plan. In the event that there is implemented a change in the manner in which the financial exhibits are prepared, the financial exhibits prepared for inclusion in the actuarial valuation report for the year in which the change is implemented shall be prepared in accordance with both the change and the manner previously employed. The actuarial valuation report shall include the following financial exhibits~~

~~(1) An exhibit of the assets of the pension plan at their fair market value and valued pursuant to rules and plan of the pension plan upon which the actuarial exhibits are based.~~

147.98 SEVERABILITY

The provisions of this Article are severable and if any of its sections, clauses or sentences shall be held illegal, invalid or unconstitutional, such provisions shall not affect or impair any of the remaining sections, clauses or sentences. It is hereby declared to be the intent of Council that this Article would have been adopted if such illegal, invalid or unconstitutional section, clause or sentence had not been included herein. (12797 §1 9/16/87)

Bill as Amended: Reconsideration of The Mayor Board shall be the elect their President, the City Controller the Secretary, and the Director of Administration and Finance the Treasurer of the Aggregated Pension Trust Fund, 7 - 0

	Yea	Nay
W. Michael Donovan	X	
Jeanette Eichenwald	X	
Julio A. Guridy	X	
Ray O'Connell	X	
Michael Schlossberg	X	
Peter G. Schweyer, Vice President	X	
Michael D'Amore, President	X	
TOTAL	7	0

I hereby certify that the foregoing Ordinance was passed by City Council on September 21st and signed by the Mayor on September 29th, 2011.



CITY CLERK